

**SHREWSBURY ELECTRIC
&
CABLE OPERATIONS**

COMMISSION MEETING

**May 23, 2005
9:00 AM**

MINUTES

**PRESENT: C. JEFFERSON, Jr., Chairman
P. LYONS-GALLO
A. TRIPPI**

**ABSENT: S. DAVIS
R. LUTZ**

**OTHERS
PRESENT: T. JOSIE
R. IACCARINO
M. QUITADAMO**

1. Approve Bill Schedules

The bill schedules were reviewed and approved as presented.

2. Minutes – Light Commission Meeting – April 25, 2005

A motion:

To approve the minutes of the April 25, 2005 Light Commission meeting was made by A. Trippi and seconded by P. Lyons-Gallo.

Without further discussion, the minutes were approved as presented.

3. Financial Statements – March 2005

a. Electric

M. Quitadamo presented the Electric March 2005 Financial Statements for the Light Commission's review.

b. CATV

M. Quitadamo presented the CATV March 2005 Financial Statements for the Light Commission's review.

After a brief discussion, the Electric and CATV Financial Statements for March 2005 were accepted as presented.

4. Cash Statements – April 2005

a. Electric

M. Quitadamo presented the Electric April 2005 Cash Statements for the Light Commission's review.

b. CATV

M. Quitadamo presented the CATV April 2005 Cash Statements for the Light Commission's review.

After a brief discussion, the Electric and CATV Cash Statements for April 2005 were accepted as presented.

5. Funding Retirement Benefits

In response to a request from the Light Commission, M. Quitadamo presented a report regarding SELCO's Light and CATV retirement accounts funding.

T. Josie stated that it is anticipated that the Town's retirement account will be funded in 2022. Based on the Town's schedule, it will take Light 14 years and CATV 16 years to be fully funded.

After further discussion, T. Josie recommended Option #2 whereby the payment schedule be accelerated 10 years to fully fund the Retirement Fund.

A motion:

To adopt Option #2 - 10 Year Accelerated Schedule was made by A. Trippi and seconded by P. Lyons-Gallo.

Without further discussion, the motion was voted unanimously.

6. Proposed Changes to Basic Service - ESPNs

T. Josie stated that the bottom line is that SELCO must move some channels as required by the NCTC contract to accommodate the ESPN services. He presented 4 options and recommended the option that would have the least impact on customers i.e., Option #1 where SELCO would *move the ESPN channels to below Channel 36 and include with Basic. Rates could either be adjusted or stay the same.* However, Option #3 – *Reduce the number of channels on Basic service to Broadcast only channels (must carry, shopping and religious, PEG) then reposition ESPNs below Channel 36 which would now be part of Expanded Basic but add the Weather Channel and NECN, in spite of the disruption to customers.*

After further discussion, the Light Commission agreed that the General Manager make the decision.

The General Manager stated that SELCO will select Option #3 adding the Weather Channel and NECN.

7. Internet Service Upgrade

T. Josie reported that SELCO staff, in comparing services offered by Comcast, Verizon and Charter, is recommending changes and additions to SELCO's Internet services currently being offered by to customers.

The proposed new and enhanced services include a rate reduction, speed upgrades, and offers to make available wireless modem/wireless router, anti-virus software, and video email.

The financial impact as a result of decreasing the price of the Direct Connect Service from \$24.95 to \$19.95 is (\$51,000.)

After further discussion, the Light Commission accepted the upgrades as presented.

8. Legal Opinion – Verizon FTTH

As a result of a request from the Light Commission to obtain a legal opinion regarding Verizon's FTTH in Shrewsbury, T. Josie commented that he obtained a legal opinion from K. Barna.

The bottom line is that SELCO should do something with its franchise to make sure that there are level playing field provisions included in the franchise.

9. Ratification New England RTO ISO Agreement

T. Josie reported that a Light Commission vote is required to authorize SELCO's General Manager to sign the Market Participants' Service Agreement (MPSA) with the ISO/RTA/ (Regional Transmission Organization) that will execute the agreement that puts into place the settlement negotiated by MMWEC on behalf of SELCO.

A motion:

*To move the proposed vote as presented in Item 9 of the agenda –
"Ratification New England RTO ISO Agreement" - was made by C.
Jefferson, Jr. and seconded by A. Trippi.*

Without further discussion, the motion was voted unanimously.

10. Other

a. Charter Channel 3

As a result of R. Lutz's inquiry regarding SELCO carrying Charter's Channel 3, specifically local sports games i.e. Holy Cross, and P. Lyons-Gallo's suggestion to have Charter include SELCO advertisements, Charter was contacted. Charter was not receptive however the offer was not totally discounted. Generic programming (non-price related advertisements) may be possible.

W. Cullen is checking the technical issues of getting the signal to SELCO. If all is feasible, SELCO will broadcast Channel 3.

b. Work Schedules – T. Josie

After a brief discussion, the Light Commission agreed that the General Manager take whatever time he needs to address personal issues/family illness without that time being charged to vacation leave.

c. Information – Converter Losses 2004

As requested by the Light Commission at its last meeting, T. Josie presented a summary of the 2004 losses/write-offs regarding converter boxes.

11. Operating Brief

After a brief review and discussion, the Operating Brief was accepted as presented.

The next Light Commission meeting is scheduled for Monday, June 20 or June 27, 2005 at 7:00PM.

A motion:

To enter into Executive Session to discuss the potential of possible litigation and not re-convene into Open Session was made by C. Jefferson, Jr. and seconded by P. Lyons-Gallo.

The motion was voted:

C. JEFFERSON, Jr., Chairman	-	Yes
P. LYONS-GALLO	-	Yes
A. TRIPPI	-	Yes

Respectfully submitted,

Anthony M. Trippi, Clerk
Shrewsbury's Light Commission

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&
CABLE OPERATIONS**

COMMISSION MEETING

**May 23, 2005
9:00 AM**

**EXECUTIVE SESSION
MINUTES**

**PRESENT: C. JEFFERSON, Jr., Chairman
A. TRIPPI
P. LYONS-GALLO**

**ABSENT: S. DAVIS
R. LUTZ**

OTHERS

PRESENT: T. JOSIE

1. Minutes – Executive Session – September 13, 2004

A motion:

To approve the minutes of the September 13, 2004 Executive Session was made by C. Jefferson, Jr. and seconded by A. Trippi.

Without further discussion, the minutes were approved as presented.

2. Select Energy Contract

T. Josie commented that this item is to update the Light Commission as to the present status of the Select Energy power contract.

Select Energy, an NU subsidiary, has started the process to terminate its contracts.

Recently, MMWEC and K. Barna met separately with representatives from NU. K. Barna has been hired to give SELCO additional insight as to options and other pertinent information.

Included in T. Josie's review of the options:

- Select would cut a check to MMWEC (SELCO) and the contract would then be terminated. The buyout amount is the differential between what the value of the contract is now and the price of a replacement contract at a higher price.
- In the buyout option, MMWEC (SELCO) could sign a contract with a third party for a contract to replace the Select contract. The buyout check MMWEC (SELCO) received would then subsidize payment for the new contracts. Future risk is now limited between the differential because of the additional money with the buyout.
- SELCO has a contract for approximately 46% of SELCO's energy supply that will be terminating in 2010, a time period where experts are predicting a power shortage in the New England area. Obtaining another contract, at this time, would be beneficial because of the less risk to SELCO.

A motion:

To adjourn the Executive Session meeting was made by C. Jefferson, Jr. and seconded by A. Trippi.

The motion was voted:

C. JEFFERSON, Jr., Chairman	-	Yes
P. LYONS-GALLO	-	Yes
A. TRIPPI	-	Yes

Without further discussion, the motion was voted unanimously.